

United Calling Network, Inc.

United Calling Card, Inc.

United Cellular Services A Licensed Public Utility U-4127-C

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SOLUTIONS FOR THE FUTURE

Friday, November 21, 1997

William Kennard, Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554
Fax No. (202) 418-2801

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FEDERAL COMMUNICATIONS COMMISSION

97-82

Re: F.C.C. C-Block Restructuring Order Reconsideration

Dear Chairman Kennard:

United Calling Network, Inc. ("UCNI") is a "minority" owned California licensed Public Utility and nationally licensed telephone company. UCNI is a switched reseller of NextWave Telecom Inc ("NextWave") Personal Communication Services ("PCS"). Although UCNI is not a C-block licensee, our company has a vested interest in a robust C-block and the build-out of their PCS network.

UCNI was involved in the restructuring efforts of the C-block licensees to obtain favorable relief from the previous Federal Communications Commission. Our company wrote several response letters to Public Notice - WT Docket 97-82 to Chairman Hundt, the F.C.C. Commissioners and Members of Congress. I made several trips to Washington, D.C. and testified before Congress and the Commission and had many meetings and conversations with the Chairman, Commissioners and staff members. Unfortunately, all of our efforts seemed to fall on deaf ears as the "four-point" Order of November 8, 1997 of the previous Commission offered little, if any, relief to the financially strapped C-block licensees.

Now that a new F.C.C. Commission has been empanelled, it is our hope to have the Orders of the previous Commission reconsidered and, hopefully, changed. UCNI has always been in favor of a restructuring plan of the C-block auction debt that would correct the inherent problems of the auction but would

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not punish licensees for participating in the auction.

UCNI respectfully requests the Commission to reconsider certain aspects of the previous Commission's rules regarding the Installment Payment Financing for C-Block Licensees. Specifically, UCNi requests that the Commission reconsider its previous rulings to:

- 1. Allow licensees to utilize their full down payment in Disaggregation and Prepayment options; and**
- 2. Adjust the Prepayment option to account to reflect the net present value of foregoing installment payments.**

The F.C.C.'s restructuring decision is highly punitive to C-block bidders, and as a result, harms a number of small businesses such as UCNi who view the "Competition-block" as our last chance to economically provide competitive wireless mobile and local loop services. Companies such as ours have made significant investments and created a number of jobs in anticipation of providing wireless services throughout our communities.

Entrepreneurial small businesses and the jobs that we create are at the heart of the C-block and the American dream. While this proceeding is contentious, it is important to continue to focus on the contribution that we are all trying to make to facilities-based competition for mobile and local loop services. At the same time, most of the headlines of late are devoted to consolidation, rather than competition, among giant telecommunications companies.

Additionally, we are particularly concerned that the Commission did not take into account the comments and restructuring support from certain members of Congress (Tauzin, Markey and Dingell, to name a few) or the Commerce Committee. UCNi is equally concerned that the Commission apparently did not consider the comments made by our principal advocate within the Administration, the Small Business Association ("SBA"). As quoted from a letter from the SBA to the Commission, "There are thousands of small business vendors, suppliers, contractors, engineering and marketing firms across the country who have not had the opportunity to finalize service contracts or commence work for C-block licensees."

UCNI believes in auction integrity and fairness and we commend the previous Commission on its desire to promote competition. However, in offering a set of options to C-block licensees that is so limited as to be punitive, the Commission inadvertently punished numerous suppliers and vendors who relied on C-block licenses for new business. Commission policy should promote opportunities for all small businesses and UCNi is one of those small businesses so gravely impacted..

The Restructuring Order did not provide C-block licensees with any commercially reasonable alternatives. UCNi is concerned that the Order will result in even more bankruptcy filings by distressed C-block licensees, which will further delay network build-out and, ultimately, new

competitors in the marketplace.

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UCNI urges the Commission to reconsider the effect your decision has had on the other small businesses dependent upon a viable C-block and competitive wireless marketplace. The C-block experiment has not resulted in a significant amount of new facilities-based competition, as was anticipated. However, this public policy experiment can be a success if C-block licensees are provided with commercially reasonable restructuring alternatives.

I am available to speak with you about UCNI's position on the C-block restructuring. If you have any comments, questions or would like to speak with me about this matter, please do not hesitate to call.


Very truly yours,

Phillip Van Miller

Phillip Van Miller
Chairman and Chief Executive Officer
United Calling Network, Inc.

cc

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F.C.C. Commissioner Michael Powell
F.C.C. Commissioner Gloria Tristani
F.C.C. Commissioner Susan Ness
F.C.C. Secretary Magalie Roman Salas